

# STATE SENATOR TERESA LUBBERS

Indiana State Senate  
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Indianapolis, Indiana 46204



## 2004 Post-Session Newsletter

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## WORKING - for - JOBS

In 2003, the Senate passed legislation with significant economic development measures, dubbed the JOBS plan. Economic development is full time work, and we are constantly trying to improve our business climate here in Indiana to help more Hoosiers find jobs.

Despite a \$1 billion state budget deficit, the Senate has continued to seek new ways to foster a more competitive atmosphere for businesses in Indiana. One critical bill, House Enrolled Act 1365, passed the Senate this session and should provide some new momentum for our economic development efforts. It is a combination of several bills that focus on expanding small business investment, improving research and development and encouraging growth around the state.

### Economic Development Provisions in HEA 1365

- Makes research and investment tax credits permanent. **Economic Importance:** Businesses will have confidence to invest in creating innovative new products knowing the credits are stable.

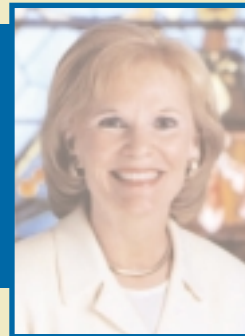
- Adds the Emerging Technology Grant Fund to the 21st Century Research and Technology Fund. **Economic Importance:** The Fund will match federal grants for small-sized technology-based businesses to accelerate the commercialization of new discoveries in the life sciences, information technology, advanced manufacturing, or logistics industries.

- Gives tax incentives to businesses who locate new or expanded operations on closed military bases. **Economic Importance:** Incentives given to businesses on Grissom Air Force Base, Fort Benjamin Harrison and Crane Naval Surface Warfare Center will spark the local economy. New tax incentives are vital due to the elimination of the inventory tax by 2007.

- Improves rules regarding Community Revitalization Enhancement Districts (CREDs). **Economic Importance:** CREDs are important economic development tools for the downtown areas of our cities. Expanding and improving CREDs will further these efforts.

- Allows local governments to assess an annual fee to recipients of tax abatements. **Economic Importance:** The fee would be used by local economic development boards to help provide more jobs within the area. It would help small rural communities that do not have big budgets for economic development.

- Repeals the sales tax on complimentary hotel rooms. **Economic Importance:** Indiana will be more competitive with other states in attracting tourism and convention business.



# State Senator Teresa Lubbers

Serving District 30 — Marion and Hamilton Counties



## 2004 Facts & Figures

The Second Regular Session  
of the 113th General Assembly  
began on Organization Day,  
November 18, 2003,  
and adjourned March 4, 2004.

Senate bills introduced: 503  
Senate bills passed: 18

House bills introduced: 459  
House bills passed: 80

Number of bills that were sent to  
the Governor and became law: 98

Teresa Lubbers' voting record:  
100%

For more information  
about the General Assembly's  
2004 session,  
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## Property Taxes Remain Priority

This session legislators returned to the Statehouse a few months early to attempt to address the unexpected and suprisingly large tax increases caused by the court-ordered changes to Indiana's property tax reassessment system.

Especially hard hit were Marion County's older neighborhoods. A few other areas of the state had similar problems.

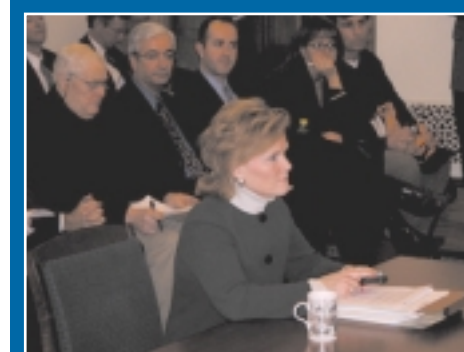
The result of the November/December "mini-session," Senate Enrolled Act 1, included some of the good ideas citizens offered to help address the problems.

One of the most important provisions of SEA 1 will limit future property tax increases through strict controls on local government spending. In 2002, legislators

### Lubbers' Property Tax Legislation

**SEA 296** reduces property taxes for the elderly, blind or disabled, wartime service disabled, disabled veteran, surviving spouse of a WWI veteran, WWI veteran, residential property rehabilitation, historic property rehabilitation, and residentially distressed area property rehabilitation.

We also recognized the need to restore the value of certain targeted property tax deductions to



Senator Lubbers testified to members of the Senate Finance Committee in hopes of gaining support for Senate Bill 296, a property tax relief measure that she authored.

levels prior to the reassessment. I authored SEA 296 to update existing deductions for the elderly, blind or disabled, wartime service disabled, disabled veteran, surviving spouse of a WWI veteran, WWI veteran, residential property rehabilitation, historic property rehabilitation, and residentially distressed area property rehabilitation. While important, this bill will not provide the level of relief needed by many homeowners who were hurt by dramatically higher property taxes.

A new Property Tax Replacement Study Commission will consider the elimination of property taxes and other remedies over the summer and work toward solutions that reflect the concerns of Indiana taxpayers. I will continue to work with members of our community to find ways to alleviate our property tax burden.

### What Senate Enrolled Act 1 Includes:

- Allows counties to waive penalties assessed for late payment of property taxes
- Allows taxpayers to pay their property taxes in installments
- Extends the filing deadline for existing property tax deductions and exemptions
- Requires approval from elected officials of significant property tax increases by non-elected boards, such as libraries.
- Streamlines the property tax appeal process to make it easier for taxpayers
- Requires assessors to use most favorable assessment method for rental properties
- Repeals local governments' ability to raise and spend excess levies and requires any excess funds to be used to reduce future levies



# Protecting Our Children

One of the most critical issues addressed during the session is child protection. Several provisions passed this year address the problems of child abuse, neglect and molestation.

Recent cases where an innocent child has died, such as the Anthony Bars case and several child protective services mishaps across the state, prompted this legislation. There is no excuse for the mismanagement that put these children in harm's way.

Anthony Bars was an Indianapolis child who was placed with a family member with a history of abuse. A criminal background check was not conducted, and the child tragically was killed. One bill set up more safeguards for children placed through child protective services, including more extensive background checks for temporary placement homes.

Another bill recognizes a child in need of services as a child who lives in the same home as a sexually abused child and lives with an adult who is a sex offender. If one child in a household is abused, statistics show that another child in that house has an 80 percent chance of being abused.

Another provision sets up a fatality review team to investigate unexpected deaths of children. Additionally, House Enrolled Act 1194 requires the state to publicly disclose information relevant to the death of a child because of abuse, abandonment or neglect. HEA 1194 made modifications to the Adoption and Safe Family Act, which substationally reformed our child protection and adoption law.

HOUSE ENROLLED ACT 1265 — Establishes a program pooling state employees to negotiate lower prices for bulk purchases of prescription drugs. Applies to schools, state colleges and universities, and cities and towns. PASSED. My vote: YES



During last year's budget session of the General Assembly, education was our number one priority. It was the only area in government that was given an increase during a fiscally difficult year. While surrounding states have cut education, Indiana legislators worked hard to provide our schools with a 3.3 percent increase in funding for Fiscal Year 2004 and a 2.9 percent increase in 2005. This additional funding has placed Indiana 10th in the country in per pupil spending.

The state has drained every reserve account to make ends meet and provide schools with the money needed to continue essential programs for this budget cycle. The numbers from the most recent revenue forecast show that the state is not recovering as quickly as hoped and that the state needs to be cautious about what it spends so we can keep the funding commitments we have made to schools.

After an early start to our 2004 session, which officially began in mid-November, the Governor decided that full-day kindergarten would be his top priority when he gave his State of the State address in January. I agree that this is an important

Indiana is 10th in the nation for per-pupil education spending. Education is the only area of government that received an increase in funding during difficult economic times.

SENATE BILL 379— Prohibits a state agency from releasing the Social Security number of an individual unless required by law or court order or meets other exceptions. FAILED. My vote: YES

program. His first proposal was to fund the partial tuition of 20,000 full-day kindergarten pupils this fall. Some parents were expected to pay for a portion of their child's extra hours at school. The Governor proposed several shaky funding mechanisms to cover the remainder, including changing the state constitution to tap into an account reserved for schools' construction and renovation projects.

When the bill reached the Senate, the majority agreed that the state simply does not have enough money right now to pay for a statewide full-day kindergarten program. As a member of the Senate Education Committee, I have for many years supported optional full-day kindergarten and believe it has significant benefits, especially for at-risk students. What our committee wanted to determine was how to fund kindergarten in a fair and sustainable way.

Quite simply, the state does not have the money now to pay for additional full-day kindergarten programs. The Senate proposed the creation of a commission to work this summer to find sustainable funding for the initiative. Unfortunately, the bill died in conference committee on the last night of the session.

I fully support an optional, statewide full-day kindergarten program with sustainable, long-term funding. We cannot, however, promise to fund a new program that we cannot afford.

I want Indiana's kids to have every opportunity to be successful, but we must first fund our current obligations to public education before committing ourselves to spending even more taxpayer dollars.

HOUSE ENROLLED ACT 1437 — Creates a program to provide community treatment and mental health and addiction services for offenders with mental illness or addictive disorders who have not been charged or convicted of a violent crime. PASSED. My vote: YES

# Predatory Lending



New law protects Hoosier homebuyers

Indiana has an enviable record when it comes to the realization of the American dream. We have one of the highest rates for home ownership in the United States. This enviable record has come about in large measure because of a favorable regulatory climate and because of Hoosier frugality.

The explosion in home ownership across the country is mainly due to the availability of credit to those families who have less than the best credit ratings. This sub-prime credit availability has been called by Alan Greenspan the "Democratization of Credit." Over the last two decades, tens of thousands of Hoosier families have found themselves in a position for the first time to buy a home.

However, this availability of credit has led to a few unwanted side effects. In a desire to own a home, many families stretched budgets too far when it came to financing their homes and have been subsequently unable to meet their obligations. The second negative phenomenon has been the rise of fraud and other unscrupulous practices by individuals who are in the business of extending credit.

Indiana has the 2nd highest home foreclosure rate in the nation at 2.56 percent. The national average is 1.12 percent.

Beginning in the 2000 session, the legislature has been trying to come to grips with the more negative aspects of sub-prime lending. The challenge has been to extend greater consumer protections without curtailing the availability of credit.

Over the past several years, about half of the states have adopted some sort of "predatory lending" law. In some of these states, the pendulum has swung too far in the direction of protection, thus curbing the availability of credit. In other states, some would argue, the pendulum did not go far enough to protect consumers.

In Indiana, I'm very happy to report a balance has been struck that found the active support of the lending community, as well as

HOUSE ENROLLED ACT 1194 — Opens state records regarding a child who died as a result of abuse, abandonment, or neglect. Requires extensive background checks on all members of a household for temporary and permanent placements. PASSED. My vote: YES

HOUSE ENROLLED ACT 1394 —Stiffens penalties for drunk driving offenses. Requires lifetime license suspension of a person with two convictions for OWI causing death. PASSED. My vote: YES

# Tribute to Governor Bob Orr (1917 to 2004)



Photo of Sen. Lubbers taken with Gov. Bob Orr during his final year in office (1987).

On March 10, Indiana lost an extraordinary public leader who committed his life to improving life for all Hoosiers. Governor Bob Orr's legacy, especially efforts to improve schools and create jobs, was honored in a moving public service at the State Capitol and in media tributes throughout the state.

It was my privilege to be among the many who thought of the Governor as a mentor and friend. Without fail, he was always available with words of

encouragement and counsel. We shared a deep commitment to improving education, and I am grateful for his willingness to lead in the areas of higher academic standards and accountability. He never flinched from a tough issue or settled for mediocrity. He believed in the greatness of Indiana and always focused on the future rather than the past.

He will surely be missed, but his public service will be remembered by grateful Hoosiers who benefited from his leadership and contributions.

that of consumer activists. We are the first state to achieve this balance.

HEA 1229 will extend real consumer protections, while insuring the availability of credit. For the first time in this country, we will fund a Home Ownership Protection unit within the Attorney General's office that will actively pursue and prosecute those involved in bilking home buyers.

The bill sets up a penalty system in which the court could assess a civil penalty of no more than \$10,000 per violation. The bill also requires the Department of Commerce to provide home ownership education programs.

With the passage of HEA 1229, Indiana is on the cutting edge of new legislation and will become a model for the rest of the country.

SENATE ENROLLED ACT 72 —Gives counties the authority to purge county voting rolls to eliminate from the list those who have died or left the county. Helps eliminate voter fraud as a result. PASSED. My vote: YES